

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

**SESSION LAW 2010-31  
SENATE BILL 897**

**AN ACT TO MODIFY THE CURRENT OPERATIONS AND CAPITAL IMPROVEMENTS  
APPROPRIATIONS ACT OF 2009 AND FOR OTHER PURPOSES.**

The General Assembly of North Carolina enacts:

**TRANSFER ADMINISTRATION OF THE VOLUNTARY SPAY/NEUTER PROGRAM  
TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES;  
AMEND FUNDING FOR THE SPAY/NEUTER ACCOUNT**

**SECTION 11.4.(a)** The Spay/Neuter Program established under G.S. 19A-61 and the Spay/Neuter Account established under G.S. 19A-62 are transferred from the Department of Health and Human Services to the Department of Agriculture and Consumer Services. Any unexpended funds appropriated to the Department of Health and Human Services for the 2009-2010 fiscal year to implement the Spay/Neuter Program are transferred to the Department of Agriculture and Consumer Services.

**SECTION 11.4.(b)** G.S. 19A-61 reads as rewritten:

**"§ 19A-61. Spay/Neuter Program established.**

There is established in the Department of ~~Health and Human Services~~ Agriculture and Consumer Services a voluntary statewide program to foster the spaying and neutering of dogs and cats for the purpose of reducing the population of unwanted animals in the State. The program shall consist of the following components:

- (1) Education Program. – The Department shall establish a statewide program to educate the public about the benefits of having cats and dogs spayed and neutered. The Department may work cooperatively on the program with the North Carolina School of Veterinary Medicine, other State agencies and departments, county and city health departments and animal control agencies, and statewide and local humane organizations. The Department may employ outside consultants to assist with the education program.
- (2) Local Spay/Neuter Assistance Program. – The Department shall administer the Spay/Neuter Account established in G.S. 19A-62. Monies deposited in the account shall be available to reimburse eligible counties and cities for the direct costs of spay/neuter surgeries for cats and dogs made available to low-income persons."

**SECTION 11.4.(c)** G.S. 19A-62 reads as rewritten:

**"§ 19A-62. Spay/Neuter Account established.**

(a) Creation. – The Spay/Neuter Account is established as a nonreverting special revenue account in the Department of ~~Health and Human Services~~Agriculture and Consumer Services. The Account consists of the following:

- ~~(1) The portion of the fee imposed under G.S. 130A-190(b)(4) for obtaining a rabies vaccination tag from the Department of Health and Human Services.~~
- (2) ~~Ten dollars (\$10.00)~~Twenty dollars (\$20.00) of the additional fee imposed by G.S. 20-79.7 for an Animal Lovers special license plate.
- (3) Any other funds available from appropriations by the General Assembly or from contributions and grants from public or private sources.

(b) Use. – The revenue in the Account shall be used by the Department of ~~Health and Human Services~~Agriculture and Consumer Services as follows:

- ~~(1) If the revenue generated by the portion of the fee imposed under G.S. 130A-190(b)(3) is less than forty seven thousand five hundred dollars (\$47,500) for the fiscal year, then funds up to the difference between forty seven thousand five hundred dollars (\$47,500) and the amount of revenue generated may be used from this Account to fund rabies education and prevention programs.~~
- (2) Up to Twenty~~twenty~~ percent (20%) ~~shall~~may be used to develop and implement the statewide education program component of the Spay/Neuter Program established in G.S. 19A-61(a).
- (3) Up to twenty percent (20%) of the money in the Account may be used to defray the costs of administering the Spay/Neuter Program established in this Article.
- (4) Funds remaining after deductions for the education program and administrative expenses shall be distributed quarterly to eligible counties and cities seeking reimbursement for reduced-cost spay/neuter surgeries performed during the previous calendar year. A county or city is ineligible to receive funds under this subdivision unless it requires the owner to show proof of rabies vaccination at the time of the procedure or, if none, require vaccination at the time of the procedure.

(c) Report. – In February of each year, the Department must report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. The report must contain information regarding all revenues and expenditures of the Spay/Neuter Account."

**SECTION 11.4.(d)** G.S. 19A-63 reads as rewritten:

**"§ 19A-63. Eligibility for distributions from Spay/Neuter Account.**

(a) A county or city is eligible for reimbursement from the Spay/Neuter Account if it meets the following condition:

- (1) The county or city offers one or more of the following programs to low-income persons on a year-round basis for the purpose of reducing the cost of spaying and neutering procedures for dogs and cats:
  - a. A spay/neuter clinic operated by the county or city.
  - b. A spay/neuter clinic operated by a private organization under contract or other arrangement with the county or city.

- c. A contract or contracts with one or more veterinarians, whether or not located within the county, to provide reduced-cost spaying and neutering procedures.
- d. Subvention of the spaying and neutering costs incurred by low-income pet owners through the use of vouchers or other procedure that provides a discount of the cost of the spaying or neutering procedure fixed by a participating veterinarian or other provider.
- e. Subvention of the spaying and neutering costs incurred by persons who adopt a pet from an animal shelter operated by or under contract with the county or city.

(2) Reserved for future codification purposes.

(b) For purposes of this Article, the term "low-income person" shall mean an individual who qualifies for one or more of the programs of public assistance administered by the Department of Health and Human Services pursuant to Chapter 108A of the General Statutes, Statutes or whose annual household income is under three hundred percent (300%) of the federal poverty level guidelines published by the United States Department of Health and Human Services.

(c) Each county shall make rules or publish guidelines that designate what proof a low-income person must submit to establish that the person qualifies for public assistance under subsection (b) of this section or has an annual household income lower than three hundred percent (300%) of the federal poverty level guidelines published by the United States Department of Health and Human Services."

**SECTION 11.4.(e)** G.S. 19A-64 reads as rewritten:

**"§ 19A-64. Distributions to counties and cities from Spay/Neuter Account.**

(a) Reimbursable Costs. – Counties and cities eligible for distributions from the Spay/Neuter Account may receive reimbursement for the direct costs of a spay/neuter surgical procedure for a dog or cat owned by a low-income person ~~meeting the Department's eligibility requirements for spay/neuter services as defined in G.S. 19A-63(b).~~ Reimbursable costs shall include anesthesia, medication, and veterinary services. Counties and cities shall not be reimbursed for the administrative costs of providing reduced-cost spay/neuter services or capital expenditures for facilities and equipment associated with the provision of such services.

(b) Application. – A county or city eligible for reimbursement of spaying and neutering costs from the Spay/Neuter Account shall apply to the Department of ~~Health and Human Services~~ Agriculture and Consumer Services by the last day of January, April, July, and October of each year to receive a distribution from the Account for that quarter. The application shall be submitted in the form required by the Department and shall include an itemized listing of the costs for which reimbursement is sought.

(c) Distribution. – The Department shall make payments from the Spay/Neuter Account to eligible counties and cities who have made timely application for reimbursement within 30 days of the closing date for receipt of applications for that quarter. In the event that total requests for reimbursement exceed the amounts available in the Spay/Neuter Account for distribution, the monies available will be distributed as follows:

- (1) Fifty percent (50%) of the monies available in the Spay/Neuter Account shall be reserved for reimbursement for eligible applicants within development tier one areas as defined in G.S. 143B-437.08. The remaining fifty percent (50%) of the funds shall be used to fund reimbursement requests from eligible

applicants in development tier two and three areas as defined in G.S. 143B-437.08.

- (2) Among the eligible counties and cities in development tier one areas, reimbursement shall be made to each eligible county or city ~~in proportion to the number of dogs and cats that have received rabies vaccinations during the preceding fiscal year in that county or city as compared to the number of dogs and cats that have received rabies vaccinations during the preceding fiscal year by all of the eligible applicants in development tier one areas.~~ pursuant to rules adopted by the Department.
- (3) Among the eligible counties and cities in development tier two and three areas, reimbursement shall be made to each eligible county or city ~~in proportion to the number of dogs and cats that have received rabies vaccinations during the preceding fiscal year in that county or city as compared to the number of dogs and cats that have received rabies vaccinations during the preceding fiscal year by all of the eligible applicants in development tier two and three areas.~~ pursuant to rules adopted by the Department.
- (4) Should funds remain available from the fifty percent (50%) of the Spay/Neuter Account designated for development tier one areas after reimbursement of all claims by eligible applicants in those areas, the remaining funds shall be made available to reimburse eligible applicants in development tier two and three areas."

**SECTION 11.4.(f)** G.S. 19A-65 reads as rewritten:

**"§ 19A-65. Annual Report Required From Every Animal Shelter in Receipt of State or Local Funding.**

Every county or city animal shelter, or animal shelter operated under contract with a county or city or otherwise in receipt of State or local funding shall prepare an annual report in the form required by the Department of Agriculture and Consumer Services setting forth the numbers, by species, of animals received into the shelter, the number adopted out, the number returned to owner, and the number destroyed. The report shall also contain the total operating expenses of the shelter and the cost per animal handled. The report shall be filed with the Department of ~~Health and Human Services~~ Agriculture and Consumer Services by ~~August 1~~ March 1 of each year. A city or county that does not timely file the report required by this section is not eligible to receive reimbursement payments under G.S. 19A-64 during the calendar year in which the report was to be filed."

**SECTION 11.4.(g)** Article 5 of Chapter 19A of the General Statutes is amended by adding a new section to read:

**"§ 19A-66. Notification of available funding.**

Prior to January 1 of each year, the Department of Agriculture and Consumer Services shall notify counties and cities that have, prior to that notification deadline, established eligibility for distribution of funds from the Spay/Neuter Account pursuant to G.S. 19A-63, of the following:

- (1) The amount of funding in the Spay/Neuter Account that the Department will have available for distribution to each county or city receiving notification to pay reimbursement requests submitted by the county or city during the calendar year following the notification deadline; and

- (2) The amount of additional funding, if any, the Department estimates, but does not guarantee, may be available to pay reimbursement requests submitted by the notified county or city to the Department during the calendar year following the notification deadline."

**SECTION 11.4.(h)** G.S. 130A-190(b) reads as rewritten:

"(b) Fee. – Rabies vaccination tags, links, and rivets may be obtained from the ~~Department~~Department of Health and Human Services. The Secretary is authorized to collect ~~establish by rule~~ a fee for the rabies tags, links, and rivets in accordance with this subsection. The fee for each tag is the sum of the following:

- (1) The actual cost of the rabies tag, links, and rivets.
- (2) Transportation costs.
- (3) ~~Five cents (5¢).~~Fifteen cents (15¢). This portion of the fee shall be used to fund rabies education and prevention programs.
- (4) ~~Twenty cents (20¢). This portion of the fee shall be credited to the Spay/Neuter Account established in G.S. 19A-62 and used to fund statewide spay/neuter programs. This portion of the fee shall not be imposed for tags provided to persons who operate establishments primarily for the purpose of boarding or training hunting dogs or who own and vaccinate 10 or more dogs per year."~~